

## VOL. 43, NO. 1 (FEBRUARY 2002)

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**Undermarketed! Why the Hospitality Industry Shorts Itself on Advertising**, by Steven C. Michael; pp. 64-71. A comparison of advertising levels found that hotel and restaurant franchise chains spend consistently less on advertising than do company-owned chains. Franchise chains fall short regardless of whether one makes the comparison on a per-unit, per-region, or per-unit-region basis.

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## VOL. 43, NO. 3 (JUNE 2002)

**Debt Financing Alternatives—Refinancing and Restructuring in the Lodging Industry**, by Anwar R. Elgonemy; pp. 7–21. Since 1990 the financing and ownership of lodging real-estate have undergone substantial transformations. Hotel buyers, developers, owners, and managers need to understand the different alternatives to securing debt, as well as the feasibility of numerous financing strategies.

**Electronic Distribution Channels' Effect on Hotel Revenue Management**, by Sunmee Choi and Sheryl E. Kimes; pp. 23–31. The authors examined the potential of electronic distribution-channel management to enhance the contribution to gross profit from room sales. Although some distribution channels are more expensive than others (in terms of royalties and commissions), managing the actual channel used to distribute rooms is less important than focusing on the key drivers of revenue management, namely, rate and length of stay.

**The Future of Hotel Electronic Distribution: Expert and Industry Perspectives**, by Peter O'Connor and Andrew J. Frew; pp. 33–45. Simultaneous surveys of an expert panel on electronic distribution and of hotel-chain practitioners came to the same conclusion—namely, that internet-based distribution can only grow. Electronic channels are now a major source of bookings for many hotel companies. Both traditional and internet-based channels are likely to continue to draw their inventory and rate data from the hotel company CRSs—confirming the CRS's position as the engine of electronic commerce for hotels.

**Building the Valuable Connection: Hotels and Travel Agents**, by Diego R. Medina-Muñoz, Juan Manuel García-Falcón, and Rita D. Medina-Muñoz; pp. 46–52. An examination of the relationship between 103 U.S.-based hotel companies and ten international travel agencies found that the hoteliers are generally satisfied with that relationship, although they see room for improvement.

**Putting Things in Perspective: McDonald's and the \$2.9-Million Cup of Coffee**, by Linda K. Enghagen and Anthony Gilardi; pp. 53–60. Although the \$2.9-million verdict against McDonald's drew considerable headlines in 1994, there was more to that case than just a spilled cup of hot coffee (including a reduction in damages). In fact, hospitality operators have prevailed in most other beverage-spill cases.

**China's Hotel Industry: Serving a Massive Market**, by Ray Pine; pp. 61–70. Since China opened its doors to international business and visitors in 1979, both tourism volume and hotel supply has expanded (albeit not always in proportion to each other). At the moment, China has a bifurcated hotel industry. For the moment, the best model appears to involve joint ventures of domestic operators, who know the local territory, and international operators, who have immediate access to technology and world markets.

**Improving Conferences through Session Scheduling**, by Gary M. Thompson; pp. 71–76. This paper focuses on how effective conference scheduling can increase the ability of meeting participants to attend their preferred sessions.

**The Price of a Reservation**, by Daniel C. Quan; pp. 77–86. Using hotel reservations as an example, this article shows that for a specific group of price-sensitive customers, reservations are analogous to financial call-option contracts written by the hotel and given to the guests. This analogy allows the use of option-pricing models to determine the price of a reservation.

**Differentiating Hospitality Operations via Experiences: Why Selling Services Is Not Enough**, by James H. Gilmore and B. Joseph Pine II; pp. 87–96. Creating a memorable experience is a powerful way to differentiate one hospitality operation from another. Hoteliers and other hospitality operators need to consider how to turn their mundane services into memorable experiences—and avoid the trap of being treated like a commodity.

## VOL. 43, NO. 4 (AUGUST 2002)

**Brand Extension and Customer Loyalty: Evidence from the Lodging Industry**, by Weizhong Jiang, Chekitan S. Dev, and Vithala R. Rao; pp. 5–16. The authors analyzed brand-switching behavior by more than 5,400 hotel customers (that is, their willingness to patronize different brands from one trip to another). They found that brand extensions seem to encourage customer retention—but only up to a point.

**The Strategic and Operational Roles of Human Resources: An Emerging Model**, by J. Bruce Tracey and Arthur E. Nathan; pp. 17–26. These authors propose a human-resources model that returns most HR decisions to the "workplace" (i.e., as close to the point of actual effect as possible). The objective is to get those who are closest to a given situation to make the decisions.

**How to Compare Apples to Oranges: Balancing Internal Candidates' Job-performance Data with External Candidates' Selection-test Results**, by Michael C. Sturman, Robin A. Cheramie, and Luke H. Cashen; pp. 27–40. It is widely accepted that past performance is a good predictor of future performance, but the strength of that relationship is unclear. This paper uses a meta-analysis to examine 20 previously published studies on the stability of job performance over time.

**Coupon Promotions in Quick-service Restaurants: Preaching to the Converted?**, by Gail Ayala Taylor and Sylvia Long-Tolbert; pp. 41–47. Many quick-service restaurants have come to rely on coupon promotions to maintain sales. Although cents-off coupons are intended to attract new customers, this study found that existing customers were more likely than new customers to redeem the coupons.

**Optimizing a Restaurant's Seating Capacity: Use Dedicated or Combinable Tables?**, by Gary M. Thompson; pp. 48–57. This paper investigates how to increase restaurant revenue by varying the number of available seats by having flexible table-and-seat arrangements.

**Economics and the Origin of the Restaurant**, by Nicholas M. Kiefer; pp. 58–64. The necessary conditions for à la carte food service existed around the world long before the French Revolution. For example, by contemporary accounts 13th-century Hangchow, China, hosted a lively restaurant scene that served local residents and travelers alike.

**Assessing the Profitability of Premium Players**, by Anthony F. Lucas, Jim Kirby, and Jocelina Santos; pp. 65–78. An analysis of casinos' premium players indicates that premium-player discounts not only work to the casino's financial disadvantage, but they deter those players from engaging in lengthy play sessions, which are necessary to protect the casino's statistical advantage.

**Hotel Room-inventory Management: An Overbooking Model**, by Rex S. Toh and Frederick DeKay; pp. 79–90. Based on a wide literature review and an intensive investigation of twelve hotels' operations, the authors develop a model intended to aid rooms managers in determining the optimal level of overbooking. The model countenances such issues as service levels, no-show and early departure rates, unexpected stayovers, and the cost of walking displaced guests, among others.

**A Retrospective Commentary on "Discounting in the Hotel Industry: A New Approach,"** by Sheryl E. Kimes; pp. 92–93. The accompanying article by Hanks, Cross, and Noland remains an excellent and timely work today, ten years after the article was first published. Yet despite the authors' compelling case for rational pricing, the hotel industry has yet to adopt widely rational-pricing models.

**Discounting in the Hotel Industry: A New Approach**, by Richard D. Hanks, Robert G. Cross, and R. Paul Noland; pp. 94–103. Lodging companies use different methods to segment high-rate customers from low-rate ones. The discounting mechanism is often informal, encouraging haggling. By establishing discrete rate tiers a hotel can maximize its revenue by offering different products to different market segments.



## VOL. 43, NO. 5 (OCTOBER 2002)

**September 11, 2001: Recovering Hospitality at Ground Zero**, by Christopher R.J. Knable; pp. 11–26. On 9/11/2001, the Regent Wall Street Hotel found itself on the front line of the rescue and recovery effort. In this first-person account, GM Knable recounts how he worked with his owners, managers, and employees to maintain the hotel's operations and then extend hospitality to all those who needed it.

**Crisis Management and Recovery: How Washington, D.C., Hotels Responded to Terrorism**, by Greg Stafford, Larry Yu, and Alex Kobina Armoo; pp. 27–40. In the wake of the events of 9/11, the Washington, D.C., hotel and tourism industry was plunged into uncharted territory. This article recounts the strategies and steps used to recover the confidence of guests and the economic security of the industry.

**The Best of Times, The Worst of Times: Differences in Hotel Performance Following 9/11**, by Cathy A. Enz and Linda Canina; pp. 41–52. The U.S. lodging industry's collapse in 2001 was felt mostly in large markets and in those located on the coasts than it was in many central locations. Moreover, the industry's recovery has been similarly uneven. Both the losses and subsequent gains are described in this paper.

**One Year after 9/11: Hotel Values and Strategic Implications**, by John W. O'Neill and Anne R. Lloyd-Jones; pp. 53–64. The model presented by the authors of this article indicates that the average U.S. hotel lost 4.9 percent in market value in 2001, primarily as a result of the events of 9/11/2001. The model further indicates that while hotel values are anticipated to decline slightly in 2002, the average hotel will return to its 2000 value by 2003.

**The Effect of the USA Patriot Act on Workplace Privacy**, by Clare M. Sproule; pp. 65–73. In the aftermath of the events of 9/11 it was apparent that many employees were willing to sacrifice some workplace privacy in exchange for increased workplace security. Yet eventually the pendulum will swing back, and employees again will look to secure their privacy even at the risk of giving up some security. At that time, employers who now develop a monitoring policy that is responsive to reasonable security issues and also sensitive to their employees' privacy interests, will be ahead when their workers' focus changes back.

**The USERRA: Workers' Employment Rights Following Military Service**, by Jeffrey S. Klein, Nicholas J. Pappas, and Matthew I. Herman; pp. 75–83. This article outlines the rights of employees and the obligations of employers under the Uniformed Services Employment and Reemployment Rights Act of 1994.

**Job Sharing: a Potential Tool for Hotel Managers**, by David Sherwyn and Michael C. Sturman; pp. 84–91. This paper describes hotels' use of job sharing as it emerged after 9/11. Job sharing was extended in some hotels to hourly employees (including, in some cases, union members), who were either forced or agreed to give up work hours to preserve jobs. In other hotels, employees' hours were not reduced but they were assigned additional duties outside their usual classification.

**Collective Bargaining after September 11: What about Job Security and Workplace Security?**, by L. Robert Batterman and John F. Fullerton III; pp. 93–108. This article reviews the historically acceptable subjects of labor negotiations and then examines whether new topics of employer and employee concern can be raised during bargaining-unit negotiations in light of 9/11.

**Collective Bargaining Regarding Safety and Security Issues**, by Ernest Allen Cohen; pp. 109–118. Although employers in unionized environments may be tempted to implement changes in workplace privacy and security rules, the current law makes virtually all such changes the topic of mandatory collective bargaining. However, the USA Patriot Act and a recent ruling by the U.S. Supreme Court may have the effect of weakening employees' protections or, at least, encouraging employers to act unilaterally.

**The Safety and Security of U.S. Hotels: a Post-September-11 Report**, by Cathy A. Enz and Masako S. Taylor; pp. 119–136. An inventory of the safety and security features of 2,123 U.S. hotels found an uneven distribution of these key amenities in various hotel types, with differences relating to such factors as hotel size, age, price segment, hotel type and location.

## VOL. 43, NO. 6 (DECEMBER 2002)

**Understanding Customer Choices: A Key to Successful Management of Hospitality Services**, by Rohit Verma, Gerhard Plaschka, and Jordan J. Louviere; pp. 15–24. To be economically successful, hospitality firms need a clear understanding of their customers' needs and preferences, in addition to knowing their own capabilities. An effective method for ascertaining customers' key purchase drivers is known as discrete-choice analysis, an application of which is described in this paper.

**Evaluating Capacity- and Demand-management Decisions at a Ski Resort**, by Madeleine E. Pullman and Gary M. Thompson; pp. 25–36. The authors report on a simulation-based study that they conducted to evaluate numerous capacity- and demand-management alternatives at a ski resort. Their simulation showed that sharing wait-line information gave the most economical boost to customer service.

**Service-delivery Strategies: Three Approaches to Hospitality Consulting**, by Kate Walsh; pp. 37–48. This article identifies three different working styles of consultants to the hospitality industry and describes the characteristics and advantages of each.

**Strengthening the F&B Purchaser-Supplier Partnership: Actions that Make a Difference**, by Judi Brownell and Dennis Reynold; pp. 49–61. A survey of 73 purchasing agents from diverse food-service operations found that trust and communication are key elements in developing a strong partnership between purchasers and suppliers.

**Arbitration of Employment-discrimination Lawsuits: Legalities, Practicalities, and Realities**, by David Sherwyn; pp. 62–72. Mandatory arbitration is an effective way to reduce the costs of litigation. While the law is not completely settled, employers in almost all U.S. jurisdictions can draft enforceable arbitration policies. The overall rule is that mandatory-arbitration agreements are legal so long as they are "fair" and that employees aren't unduly forced to accept them.

**Using RevPAR to Analyze Lodging-Segment Variability**, by Joseph A. Ismail, Michael C. Dalbor, and Julie E. Mills; pp. 73–80. A 13-year analysis that compares the overall U.S. lodging industry's RevPAR to that of its segments determined that segments with the highest RevPAR (i.e., luxury, upscale) also show the greatest RevPAR variability. On the other hand, the analysis is not so clearcut when comparing hotels' RevPAR volatility by location (i.e., urban, airport, highway).

**The Performance of Lodging Properties in an Investment Portfolio**, by Daniel C. Quan, Jie Li, and Ankur Sehgal; pp. 81–90. This paper compares lodging-property investment-return characteristics with those of other asset classes. Specifically, it focuses on measures of returns, volatilities, and correlations among the various investment alternatives. The authors found that the lodging sector displays good returns with relatively low volatility in comparison to stocks and bonds.

**Brands across Borders: Choosing between Franchising and Management Contracts for Entering International Markets**, by Chekitan S. Dev, M. Krishna Erramilli, and Sanjeev Agarwal; pp. 91–104. Rather than invest equity in international projects, most hotel companies expand via either management contracts or franchising. The choice between these two vehicles is not random, but instead rests on a number of factors, the chief one of which is the extent to which the company's core technology can be reproduced. By applying an organizational-capabilities approach, one can identify five overarching capabilities that are based on a company's physical, human, and organizational resources.

